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material. To have incorporated a considerable part of these notes with the argument proper, or better to have retained the notes as footnotes (as in editions before the fourth) would have been desirable for many reasons.

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*The Canadian Iron and Steel Industry. A Study in the Economic History of a Protected Industry.* By W. J. A. DONALD. (Boston: Houghton Mifflin Company. 1915. Pp. xv, 376. \$2.00.)

Dr. Donald's book, one of the prize essays in the Hart, Schaffner and Marx series, is an elaborate and complete account of the history of the Canadian iron and steel industry, with particular reference to the influence on it of protection by tariff duties and by bounties. The book is full of detail, and shows an intimate acquaintance with the facts of the situation and the literature bearing upon it, and in particular shows that the author knows how to make profitable use of the technical and commercial literature. It is abundantly fortified by statistical tables in the appendix. If any criticism can be made on this score, it is that the book is almost too full. Some details might have been spared; in these days of unceasing multitudes of books, one wishes that every writer would put his conclusions in the smallest compass consistent with clear exposition and satisfactory proof.

The book is a history not of Canada's tariffs, but chiefly of the duties and bounties upon iron and steel which have been in effect since the first steps toward the "national system" were taken in 1879. The characteristic element in Canada's protective system has been the use of bounties as well as of import duties. Indeed, I know of no modern instance in which bounties have been used on so considerable a scale; perhaps the only comparable case is that of the present French bounties on raw silk and other agricultural products. The protective duties, which began with the act of 1879, were supplemented by bounties for the first time in 1884. The bounties started on a comparatively modest scale and remained modest until 1897; in later years the system was greatly enlarged. At first limited to pig iron made from Canadian ore, it was extended to iron from foreign ore as well as that from domestic ore ("foreign ore" includes that from Newfoundland), to bar iron, steel, steel rails, and other manufactures of steel. The beginning

of the end came in 1906, when the bounties, while continued for some years on a decreasing scale, were made to cease by 1912.

The cause of the adoption of the system seems to have been purely political. The Liberals, pledged in 1897 to a downward revision of duties, nevertheless could not forfeit the support of the manufacturers and the producing localities, and resorted to the bounties as a means of holding the persons interested without alienating the restive western constituencies. And it is in political conditions again that one finds the explanation of the abolition of bounties. The strong feeling against them in the growing West made their retention hopeless. One general proposition often advanced in the books on the protective controversy is substantiated by Canada's experience: bounties have a less tenacious hold than protective duties. The latter may continue indefinitely, and indeed seem to have a stronger hold the longer they persist. But bounties are always on the defensive. The direct payment of money out of the treasury needs always to be justified. The opposition to bounties is continuous, and apparently cumulative; sooner or later they go. Those who advocate protection on the grounds of the young industries argument—that is, with the expectation that the protection is not to be permanently maintained—will find in Canada's experience good reason for preferring bounties to duties.

With regard to the effects of this combination of duties and bounties, Dr. Donald's general conclusion is not such as to strengthen the case for protection to young industries. He intimates pretty clearly that in his opinion much the same growth would have taken place even in the absence of protection. As relating to the one enterprise about which this phase of the protective controversy has most centered in Canada, namely, the Dominion Iron and Steel Company, he adduces strong evidence to show that the company would have gone on in any case, bounties or no bounties. He also intimates that the bounty system postponed progress and lessened efficiency, or at all events that the cessation of bounties was followed by greater progress and greater efficiency. The case on this score does not seem to me conclusively made out; but it does seem clear that no adoption of improved methods can be traced to the protective or the bounty system. Altogether, Dr. Donald's volume is a valuable and interesting contribution to the literature upon protection. We need precisely such investigation as is contained in this volume: detailed, intelligent, and unbiased.

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